

REAL ESTATE TOKENIZATION.

DEQODE'S TOQENIZATION PROCESS

For queries,
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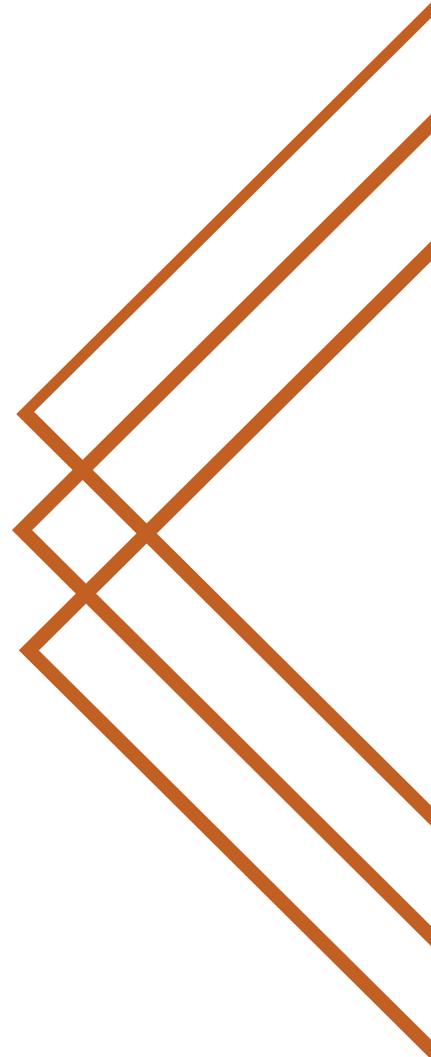


Real Estate, decoded.

Real-estate tokenization is the process of creating a digital asset that represents a single property or a portfolio of features on a blockchain-based system.

These tokens represent a certain amount of shares for some real estate asset. Other investors can purchase these tokens, and by doing that, they become partial owners of that asset - which further allows them to be involved in cash flows and asset appreciation. At the same time, they have the freedom to sell any amount of their shares whenever they want, and they can do this even through online markets.

Deqode's Tokenization Process makes it easier for real estate companies to quickly put properties on blockchain.



Benefits of Tokenization.

The benefits of real estate tokenization include:

Accessing additional capital

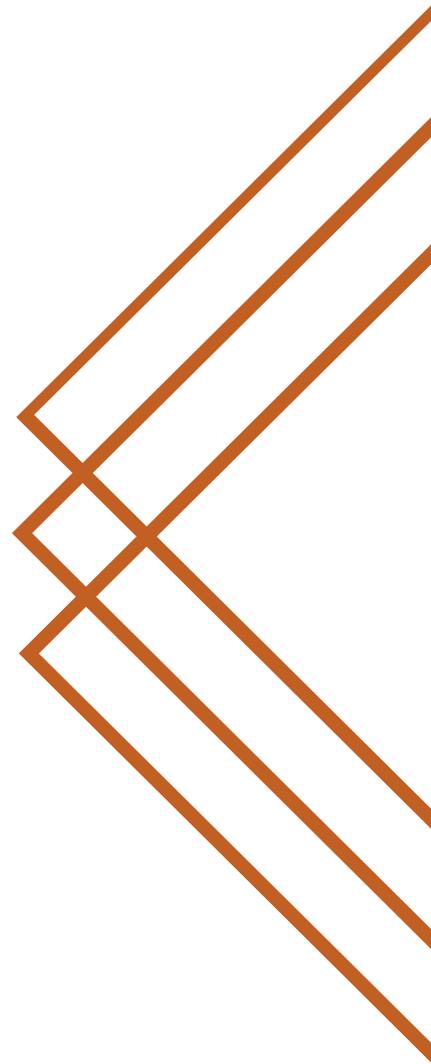
Real estate owners and developers can offer smaller investment denominations by dividing a property through a blockchain-based system, expanding distribution to a broader and more diverse investor group.

Lower illiquidity discounts and liquidity premiums

For highly illiquid assets such as real estate, institutional investors have often had an advantage over individuals due to the steep illiquidity discount associated with the majority of commercial real estate investments.

Enhanced price discovery

Today the real-time pricing information is paper-based, and it stores asymmetrical information by all parties. A digital secondary market for individual real estate properties will enable real-time pricing information.



Benefits of Tokenization.

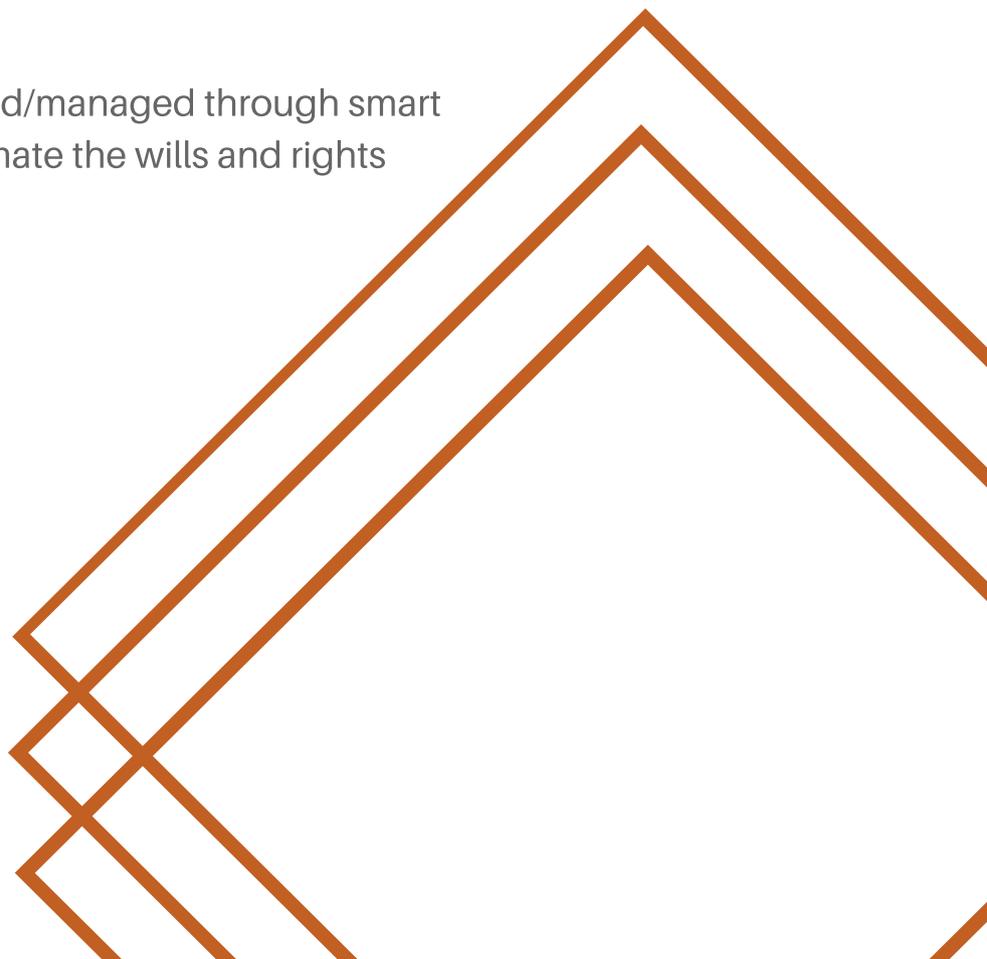
The benefits of real estate tokenization include:

Improved transparency

The use of a blockchain-based system enables the programming of rights, restrictions, and data associated with the underlying property into the tokenized digital asset. Everything that has happened in the past is public to anyone who might want to look.

Automated Processing

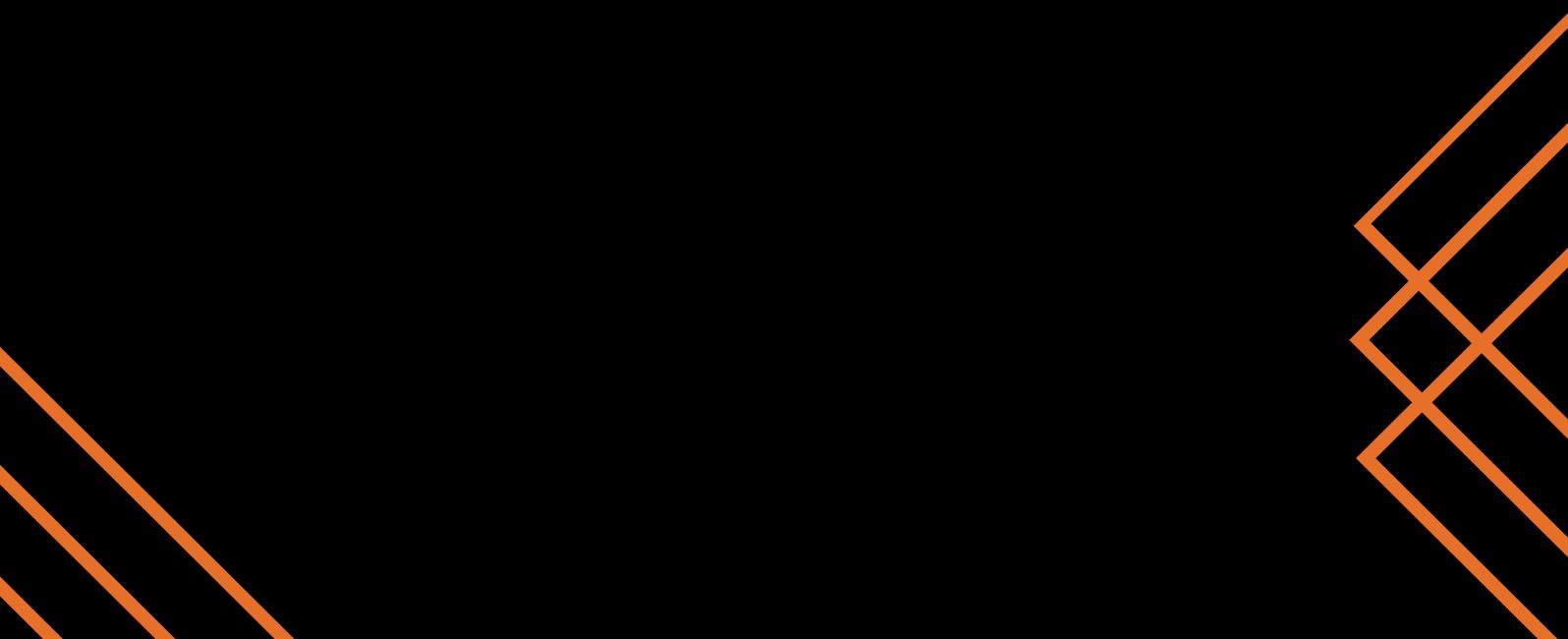
The tokens can be allocated/managed through smart contracts that would automate the wills and rights process.



Deqode's Tokenization Process.

Deqode has a collaborative tokenization process:
Tokenization, that involves three steps:

- Deal structuring
- Technology selections
- Token creation and distribution



Deal Structuring.

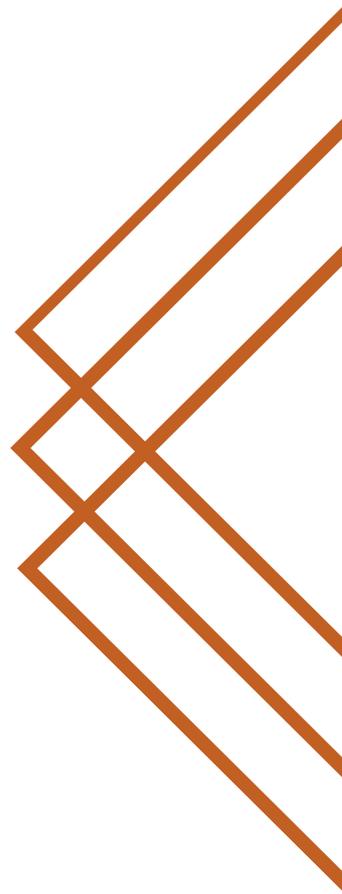
No one can understand the structure of the deal better than you - so, in a collaborative process, we sit with you to structure elements - including jurisdiction, asset type, shareholder types, and applicable regulations. The structure is based on:

1. **Asset:** Specific property or properties to be digitized
2. **Legal structure:** Digitization of real estate requires a legal cover around the individual property(ies) to securitize and create an investment vehicle. Some common structures include Single asset Special Purpose Vehicle (SPV), real estate fund, project finance, REIT, etc
3. **Shareholder rights:** Based on the legal structure, you determine if investors have the right to dividends or governance of the entity and/or property. You may also choose to offer multiple tokens that represent different investment classes. For example, you can create a token that represents preferred equity in a property with a liquidation preference, and another token that represents common equity
4. **Investor types:** The legal structure may dictate to which types of investors the deal will be made available. The jurisdiction must also be considered in which the target investor group will reside
5. **Execution regulation:** The applicable execution regulation may be based on the location of the property or the SPV, the size of the capital raise, and the type and location of investors. It's important to note that execution regulation may also determine the tax treatment of the tokens as well as solicitation restrictions

Technology Selection.

After the finalization of the legal structure for the property, we'll decide the technology. The three critical decisions we will make are:

- **Blockchain Token:** Determine the blockchain platform to build and has the rights to store tokens. The platform should also allow the owner to transfer those rights to anyone and transfer the complete ownership to someone else in a legal way.
- **KYC/AML Vendor:** To determine a KYC vendor that can integrate with the primary platform and the digitized security infrastructure.
- **Primary/Secondary Marketplace:** To determine the success of the capital raise and the ability for investors to access liquidity. By this, we can decide the exchange for trading.



Token Distribution.

After the technology decision, the next step will be to launch the token and distribute it to investors.

- **Acceptable funds:** You will have the option to accept different types of payment methods easily. The digitized real estate can also be purchased using stable coins.
- **Token launch:** The created tokens will be launched by the technology vendor, on the web application set up through the click of a button.
- **KYC:** In this, the investor will go through the KYC process for verification and linking of their digital wallet.
- **Token Distribution:** Now that the investor is registered you will either send tokens directly to investor accounts or list the digitized real estate on a primary issuance platform. After investors make the purchase, they will receive the digitized securities.



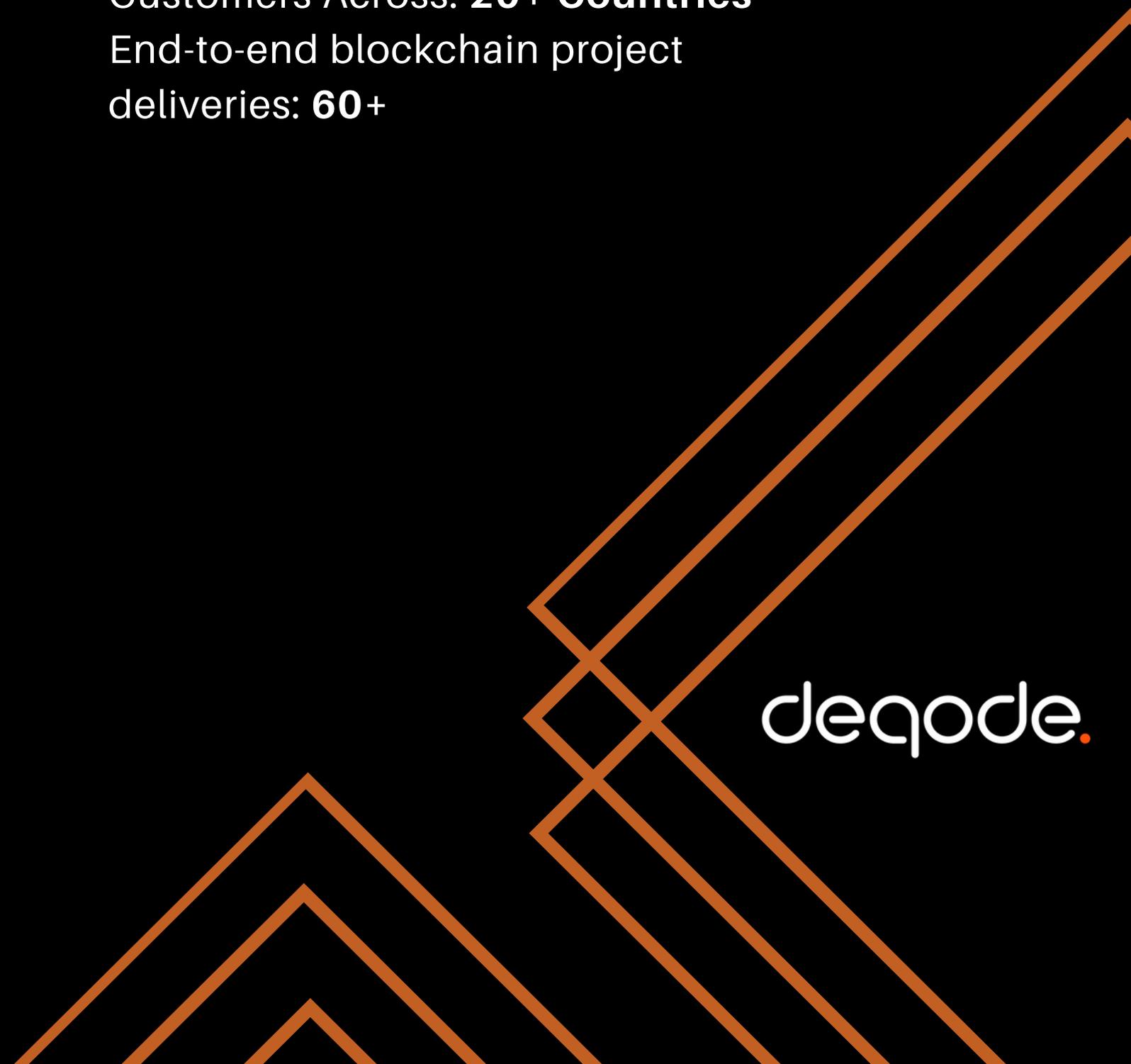
About Deqode.

Started In: **2012**

Number of Employees: **200+**

Customers Across: **20+ Countries**

End-to-end blockchain project
deliveries: **60+**



deqode.